End of the Blockbuster Model - What Next?

by

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What is a Blockbuster?

• A drug is said to be blockbuster when its annual sales crosses US$ 1 Billion.
  – Zantac
Blockbuster Model

- Blockbuster model is adopted by many big pharmaceutical companies.
Reasons for failure of Blockbuster Model

- Declining research and development productivity
- Rising costs of commercialization
- Increasing payer influence
- Diminishing exclusivity period
What Next?

- Personalised Medicine
- Focus on Drug Delivery
- Shared Drug Development
- Fixed Dose Combinations
- Diagnostics
- Consumer segment
Shift

1. Opportunistic
2. Fully integrated pharmaceutical company model
3. Science-driven provision of specific drugs
4. Functional model with separate functional units

Focus

1. Using partnerships to manage risk and return
2. Providing customer solutions
3. Integrated business organization model

Science-driven provision of specific drugs

Functional model with separate functional units

Using partnerships to manage risk and return

Providing customer solutions

Integrated business organization model
Conclusion

- Global pharmaceutical industry has become very competitive and companies have to strive very hard to just retain their previous years ranking.
- If any pharmaceutical company aims to move up the ladder, then it needs to really gear up and adapt quickly to the changing business models.
Thank you